



NEWS RELEASE

April 6, 2011

U.S. Embassy lauds GPH's "impressive" progress in putting MCC \$434 million grant into action

The Philippines has made "impressive achievements" in mobilizing the \$434 million (nearly 20 billion pesos) grant from the U.S. Government's Millennium Challenge Corporation (MCC), inspiring confidence that it will achieve the objectives of reducing poverty through economic growth, the agency's top representative to the Philippines said.

MCC Resident Country Director Matthew Bohn made the statement in Manila yesterday, April 5, at the first meeting of the Millennium Challenge Account-Philippine (MCA-P) board meeting. "I commend our colleagues in the Department of Finance, under the excellent leadership of Secretary Purisima and Undersecretary Rosalia de Leon, for their tremendous work and impressive accomplishments achieved over the last 6 months," Bohn said.

At yesterday's meeting, the Board elected Philippine Budget Secretary Florencio B. Abad to serve as Chair of the Board and Finance Secretary Cesar V. Purisima as Vice Chair. The Board also reviewed progress of implementation activities. Composed of representatives from government and non-government organizations, the MCA-P Board of Trustees will oversee the implementation of the MCC grant. Secretary Purisima noted that all activities related to the preparation of projects under the MCC grant are "on track." "I look forward to seeing the momentum maintained in order to deliver results the Filipino people deserve," he said.

The MCC grant, or "compact," was signed in New York in September last year during a ceremony that President Benigno S. Aquino III and U.S. Secretary of State Hillary Rodham Clinton witnessed. "The MCC compact is a vote of confidence in the Aquino Administration and its commitment to confront corruption," said U.S. Ambassador Harry K. Thomas, Jr. "The MCC grant will support President Aquino's efforts to reduce poverty, stimulate economic growth, combat corruption, and ensure a better future for all Filipinos," he added.

The MCC compact supports the priorities of the Philippine government to reduce poverty by promoting sustainable economic growth through the following projects:

- **Revenue Administration Reform Project (RARP).** Under the auspices of the Bureau of Internal Revenue (BIR) and Revenue Integrity Protection Service (RIPS), this project will raise tax revenues and reduce tax evasion and corruption through reforms at BIR and modernization of the revenue collection system.
- **Kapit-Bisig Laban sa Kahirapan- Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS).** Implemented by the Department of Social Welfare and Development (DSWD), this project will improve community-level infrastructure and social services for the poor and strengthen the capacity of local communities to lift themselves out of poverty.
- **Secondary National Roads Development Project (SNRDP).** In partnership with the Department of Public Works and Highways (DPWH), this project will reduce transportation costs and improve access to markets and social services through the rehabilitation of an existing 220 kilometer road segment on Samar Island.

According to MCC regulations, compact projects will be implemented with transparency and accountability by following strict guidelines for financial management, procurement, and environmental and social impact assessment.

Further information on MCA-Philippines is available at <http://www.mcap.ph>, while information on the U.S. Government's Millennium Challenge Corporation is available at <http://www.mcc.gov>.

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